How to build impulse sales with high-impact in-store signs and displays

Today, many of the nation's largest advertisers rely on signs and displays to maximize the impact of their overall marketing programs. Point-of-purchase signs and displays create an exciting selling environment that grabs the attention of consumers and sparks impulse sales.

The 8th POPAI/DuPont Study of Consumer Buying Habits in Supermarkets—which monitored 53,000 purchases made by 4,000 shoppers at 200 supermarkets—indicates that consumers make almost two-thirds of their buying decisions (64.8 percent) in the store. The study found that shoppers are influenced strongly by P-O-P displays, along with the product's price, packaging, newness and other in-store factors. The research also showed that consumers continue to spend $1.40 for each minute they remain in the store after an initial average 24.9-minute shopping trip. And targeted P-O-P materials play an integral role in keeping shoppers *in* the store.

As a result, retailers are coming to depend on P-O-P to influence and entice consumers, dress up the store and put the fun back into the shopping experience.

Point-of-purchase, however, does more than entertain customers. Its big advantage is that it attracts consumers when they are shopping, when the three ingredients necessary for the sale—consumer, product and money—are all present. And regardless of the reasons why customers may have originally entered the store, P-O-P can heavily influence their selected brand decisions; it can stimulate additional impulse purchases in the same department, as well as elsewhere in the store.

Independent studies by marketers and trade publications show that in some retail outlets, 80 percent of consumers always or sometimes make an impulse purchase. Other consumer shopping patterns were analyzed in the recent POPAI/DuPont Pilot Study of Consumer Buying Habits in Drug Stores. The study showed, for example, that more than one-third of all drugstore purchases are unplanned, and that coupons appearing in store circulars and store newspapers are used more by consumers than manufacturers' coupons appearing in daily newspapers.

The Pilot Drug Store Study was the result of 781 face-to-face interviews with consumers in 12 high-volume retail outlets in four American cities. Consumers were randomly approached inside the drugstore entrance; later their purchases were scrutinized in a second surprise interview at checkout. Demographic information about the buyers and a record of all items purchased were kept. Purchases were categorized as follows:

- Specifically planned—consumers had a specific brand or item in mind when they entered the store and purchased that brand or item as planned;
- Generally planned—shoppers had a category of product but not a particular brand in mind when they entered the store;
- Substitute planned—shoppers changed from a "specifically planned" purchase to another item;
- Unplanned—shoppers purchased an item which they did not originally have in mind.

All of the responses to the last three categories were combined to determine the number of in-store purchasing decisions made. The study monitored in-store buying decisions for various product categories: in soft goods and personal accessories, for example, 87 percent of the decisions to buy were made in-store; for snack foods, the figure was 77.8 percent. This was followed by cosmetics, 69.2 percent; non-alcoholic beverages, 66.7 percent; personal care products, 64.7 percent; magazines, books, newspapers and stationery, 58.4 percent; drugs and medicine, 48.9 percent; tobacco products, 33.3 percent; and alcoholic beverages, 20 percent. (See chart on page fourteen.)

The Pilot Study is just the beginning of consumer research in drugstores. In response to industry interest in consumer buying patterns, POPAI and DuPont are planning a full-scale national study of more than 13,000 consumers in 250 drugstores and outlets selling health and beauty aids, prescriptions and general merchandise. In addition to providing an

(continued on page twelve)

P-O-P merchandisers cut through ad clutter

Jules Rose, Chairman of the Board, Sloan's Supermarkets: "My main concern, as a merchandiser, is to build sales. Point-of-purchase is the culmination of a promotional program. Without it, retailers would lose one of their strongest selling tools—an opportunity to grab the customer's attention in the store. We know that the use of P-O-P displays is responsible for increasing sales by up to 400 percent.

"One of the big problems that marketers and retailers have is the visual clutter that takes place in the stores. Customers are confronted by countless products. Good P-O-P sets specific brands and product categories apart from the crowd; it helps clear up the clutter. P-O-P is especially effective when tied in to marketers' print and TV advertising campaigns. It helps reinforce awareness of a product.

"The use of P-O-P is determined by market segmentation. In certain product categories, programs have to be tailored to appeal to targeted consumer groups. For the HBA category, for example, trial-size offers work well in such areas as Manhattan's Upper East Side where there are a lot of young single customers; they don't work well in areas where there's a heavy concentration of families. P-O-P displays that tie in with a sports personality have strong appeal in ethnic areas." □

Impulse sales

(continued from page four)
accurate picture of the decisions that the shopper makes, the POPAI/DuPont study will:

- Reflect regional and national buying patterns of thousands of products and provide brand information;
- Provide demographics and characteristics of consumers;
- Determine incidence of purchase of all regularly purchased products;
- Record consumer shopping trips by frequency, number and types of stores visited, and total amount of purchases;
- Reflect the interacting of product purchasing patterns;
- Project cross-merchandising opportunities;
- Tabulate such store characteristics as volume, size and location, and explain their relationship to purchasing patterns and demographics. □

Retailer uses displays to attract shoppers

John Stabenau, Vice President/General Merchandise Manager, Marshall Field & Co.: "P-O-P is absolutely necessary to attract the impulse buyer. It creates the proper ambiance in which to display products. As a rule, we try to tie in our P-O-P displays to marketers' advertising. The dual effort has a very positive impact on sales.

"The use of P-O-P to make the in-store area more attractive to customers increases volume and puts an element of 'fun' back into shopping. The proper use of P-O-P materials piques customers' interest and keeps them shopping longer.

"We use P-O-P to help set such product categories as fragrance and soap apart from the rest of the beauty department. Special displays draw consumers' attention—and dollars." □

P-O-P spending

(continued from page one)
two categories: those with a merchandising emphasis on price, and those offering specialized services and convenience. In both instances, P-O-P materials have become an effective, even necessary, way to encourage consumer spending, by drawing attention to either a "special value offer" or to an attractively displayed product section, i.e., gourmet foods or natural-ingredient hair care products.

Permanent vs. temporary P-O-P

Permanent, as compared to temporary, P-O-P advertising is just what it says—when it's up, it stays up. More specifically, permanent (long-term) displays and signs are designed to be restocked and to have a lifespan that ranges from six months to several years. They are generally made of wood, wire, metal or more expensive plastics. Temporary (short-term) signs and displays are those units that are eliminated after their stock has been depleted through sale, and/or units designed for use for six months or less.

Each type of P-O-P fulfills a specific merchandising function. Signs keep a company's name and trademark constantly before consumers' eyes and give them a distinct and lasting impression of a company or a product. They bring all of a company's marketing efforts into focus directly at the point-of-purchase.

Displays encourage consumers to buy the merchandise that is shown. They help retailers and marketers to make sales after the consumers have been pre-conditioned by advertising and other types of promotion. The successful display embodies the four I's of P-O-P:

- *Impact* that immediately grabs the consumer's attention and creates interest in the product line;
- *Identification* that dramatically links the display's message to the source;
- *Information* that delivers relevant, meaningful product information to the consumer;
- *Imagery* that communicates the sales message to the consumer and establishes the perceived relevance of the product.

Temporary and permanant displays play an important part in product and service merchandising. Temporary counter units, highly effective as displays for merchandise that customers buy on impulse, are easily placed on the counter, ready to sell with little inconvenience to the retailer. Quickly installed, these displays are characterized by vibrant colors and strong sales inducements. They stand out in the crowded store environment, and have the ability to explain the product or service in a split second's time. They are used to merchandise items that rank high in impulse sales. They persuade consumers to buy goods they had not planned to purchase. Adequately labeled and clearly priced products on display attract and influence even disinterested consumers.

Permanent P-O-P units are able to effectively compartmentalize and departmentalize the store area in a variety of ways:

- As department makers, they provide an attention-getting and special area for product presentation; they become a store within a store. They also help control inventory, prevent out-of-stock conditions and provide an excellent merchandising device necessary for complex lines and related items.
- Display racks provide high product visibility. They draw attention to a group of related items in a sub-department, and facilitate self-service by the customer.
- Permanent counter or shelf units bring shoppers' eyes to a specific product line that is being presented. Products being displayed are usually expensive and not bought on impulse. Literature racks attached to the unit provide customers with the option to take home sales brochures for further consideration. □

Merchandising Power

P-O-P ads make unique claims

John Heelan, Advertising Manager, Olympia Brewing Co. "We've used point-of-purchase materials for years to make rather unique claims for our products. When we introduced our version of the light beer, Olympia Gold, we found success with the brand. But when the market became flooded, we suffered like everyone else. Then we became the first brewery to show calorie comparison on point-of-purchase materials. Sales went instantly upward. At the point-of-purchase we could literally see consumers reading the message.

"We're finding a specific, new interest in point-of-purchase. It's not unlike any other medium. There was a time when you could sell anything on television, but that's not true anymore. We've found that cohesive ties with all our advertising, along with the development of point-of-purchase displays to reinforce the image and message, have always been successful.

"We recently did a study with point-of-purchase static and motion displays with advertised and unadvertised products. We measured figures against last year's sales and found some interesting results. There were significant increases and smaller stores responded better than some of the larger ones." □

Pilot Drugstore Study Decision Purchases*

Major Product Categories	Specifically Planned	Generally Planned	Substitute	Unplanned	Store Decisions
Total Study Average	41.0%	22.5%	4.0%	33.5%	60.0%
Personal Care	35.3%	24.7%	9.4%	30.6%	64.7%
Magazines/Newspapers/ Books/Stationery	41.6%	28.6%	1.3%	28.6%	58.4%
Snack Foods	22.2%	23.8%	4.8%	49.2%	77.8%
Drugs/Medicine	51.1%	12.8%	6.4%	29.8%	48.9%
Tobacco Products	66.7%	8.9%	—	24.4%	33.3%
Hardware/Housewares	16.7%	40.5%	2.4%	40.5%	83.3%
Prescriptions	100.0%	—	—	—	—
Cosmetics	30.8%	23.1%	15.4%	30.8%	69.2%
Soft Goods/Personal Accessories	13.0%	39.1%	—	47.8%	87.0%
Non-Alcoholic Beverages	33.3%	11.1%	—	55.6%	66.7%
Alcoholic Beverages	80.0%	—	—	20.0%	20.0%
Photographic Equipment	70.0%	—	—	30.0%	30.0%
Garden Supplies	50.0%	50.0%	—	—	50.0%
Jewelry	—	20.0%	—	80.0%	100.0%
Automotive Supplies	20.0%	20.0%	—	60.0%	80.0%

* In interpretation of statistical data from the Pilot Study, please note that base sizes are small and may change dramatically in the full-scale study.

For additional information on in-store merchandising, contact John Kawula, vice president, or Ronnie Telzer, communications director, at the Point-of-Purchase Advertising Institute, 60 East 42nd Street, NYC, NY 10165; (212) 682-7041.